

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

Smyrna Post Office
Smyrna, New York

Docket No. A2011-78

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(November 15, 2011)

Between September 21, 2011 and October 19, 2011, the Postal Regulatory Commission (Commission) received 6 petitions for review of the Postal Service's determination to close the Smyrna Post Office in Smyrna, New York. The petitions were filed by Marie Whaley, the Village of Smyrna Board of Trustees, Bernice O'Brien, Molly Khoury, Judi S. Clippinger, and Michael Khoury (Petitioners). The earliest postmark date is September 13, 2011. On September 22, 2011, the Commission issued a Notice of Filing Under 39 U.S.C. § 404(d), and on September 23, 2011, the Commission issued Order No. 867, its Notice and Order Accepting Appeal and Establishing Procedural Schedule, pursuant to 39 U.S.C. § 404(d). In accordance with Order No. 867, the administrative record was filed with the Commission on October 6, 2011.

The Petitioners raise three main issues: (1) the effect on postal services; (2) the effect on the Smyrna community; and (3) the calculation of economic savings expected to result from discontinuing the Smyrna Post Office. As reflected in the administrative record of this proceeding, the Postal Service gave these issues

serious consideration. In addition, the Postal Service gave consideration to other factors, including the impact on employees. Accordingly, the determination to discontinue the Smyrna Post Office should be affirmed.

Background

The Final Determination To Close the Smyrna Post Office and Extend Service by Rural Route Service, as well as the administrative record, indicate that the Smyrna Post Office provides EAS-13 level service from 8:00 a.m. to 12:30 p.m. and 1:30 p.m. to 4:30 p.m. Monday - Friday, from 8:00 a.m. to 11:00 a.m. on Saturday, and lobby hours of 7:45 a.m. to 4:45 p.m. on Monday-Friday and from 7:45 a.m. to 11:30 a.m. on Saturday to 89 post office box customers, and 368 delivery customers. Item 47, Final Determination to Close the Smyrna, AR Post Office and Extend Service by Rural Route Service ("FD") at 2; Item 13 Administrative Postmaster/OIC Comments at 1.¹ The postmaster position of the Smyrna Post Office became vacant when the postmaster was reassigned on May 10, 2008, and an OIC has been installed to operate the office. Item 47, FD, at 2, 4; Item 41, Proposal to Close the Smyrna, AR Post Office and Extend Service by Rural Route Service (Revised) ("Proposal - Revised") at 2, 6. Upon implementation of the final determination, the noncareer PMR/OIC may be separated from the Postal Service. Item 47, FD at 4, 10.

The average number of daily retail window transactions at the Smyrna Post Office is thirty-one, accounting for thirty-four minutes of retail workload daily. Revenue over the last few years was low: \$43,051 in FY 2008 (112 revenue units); \$47,549 in FY 2009 (124 revenue units); and \$48,483 in FY 2010 (126

¹ In these comments, specific items in the administrative record are referred to as "Item ____."

revenue units). The Smyrna Post Office has no meter or permit customers. Item 47, FD at 2; Item 41 Proposal-Revised at 2; Item 42, Updated Post Office Fact Sheet, at 1.

Upon implementation of the final determination, delivery and retail services will be provided by rural route service administered by the Sherburne Post Office, an EAS-18 level office, which has 297 available Post Office Boxes. Item 41, Proposal-Revised at 2; Item 47, FD at 2; Item 42, Updated Post Office Fact Sheet, at 1.

The Postal Service followed the proper procedures which led to the posting of the Final Determination. All issues raised by the customers of the Smyrna Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal-Revised and Final Determination, customers received notice through other means. Questionnaires were distributed to delivery customers of the Smyrna Post Office. Questionnaires were also available over the counter for retail customers at the Smyrna Post Office. Item 47, FD at 2; Item 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Smyrna Post Office, at 1. A letter from the Manager, Post Office Operations was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Smyrna Post Office was warranted and whether it was feasible to provide postal services from the Sherburne Post Office. The letter invited customers to complete and return a customer questionnaire in order to provide feedback regarding the proposed

change. Item 21, Letter to Customer, at 1. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item 22. In addition, representatives from the Postal Service were available at the Smyrna Methodist Church for a community meeting on May 19, 2011, to answer questions and provide information to customers. Item 47, FD at 2; Item 21, Letter to Customer, at 1; Item 24, Community Meeting Roster at 1-5; Item 25, Community Meeting Analysis; Item 41, Proposal-Revised, at 2. Customers received formal notice of the Proposal and FD through postings at the Smyrna Post Office and Sherburne Post Office. Item 36, Round-date Stamped Proposals and Invitations for Comments; Item 49, Round-date Stamped Final Determination Cover Sheets.

The Proposal was posted with an invitation for public comment at the Smyrna Post Office and Sherburne Post Office from June 4, 2011 to August 5, 2011. Item 47, FD, at 2; Item 31, Instructions to OIC/Postmaster to Post Proposal, at 1; Item 32, Invitation for Comments, at 1; Item 36, Round Date Stamped Proposals, at 2-5; Item 37, Notice of Taking Proposal and Comments Under Internal Consideration, at 1. The Final Determination was posted at the Smyrna Post Office from September 9, 2011 to October 11, 2011. Item 47, FD at 1; Item 48, Letter of Instructions Regarding Posting of the Smyrna Post Office Final Determination, at 1; Item 50, Postal Bulletin Post Office Change Announcement at 1.

In light of the postmaster vacancy, minimal workload, low revenue, the variety of delivery and retail options (including the convenience of rural route delivery and retail service), minimal impact upon the community, and the expected

financial savings, the Postal Service issued the Final Determination. Item 41, Proposal – Revised, at 2 and 9-11; Item 42, Updated Post Office Fact Sheet; Item 47, FD. Regular and effective postal services will continue to be provided to the Smyrna community in a cost-effective manner upon implementation of the Final Determination. Item 47, FD, at 9.

Each of the issues raised by the Petitioners is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii), and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Smyrna Post Office on postal services provided to Smyrna customers. The closing is premised upon providing regular and effective postal services to Smyrna customers.

The Petitioners raise the issue of the effect of the Smyrna Post Office's closing on postal services, noting the convenience of the Smyrna Post Office and requesting its retention. Petitioners specifically cite concerns about the expense and difficulty of traveling to another Post Office, the impact on senior citizens, limited internet service in the Smyrna community, the difficult traffic pattern and limited parking at the Sherburne Post Office, timeliness of mail delivery, and mail safety and security after closure of the Smyrna Post Office. These concerns were addressed in the administrative record.

The effect of closing the Smyrna Post Office on the availability of postal services to the Smyrna customers was considered extensively by the Postal

Service. Item 47, FD, at 2- 9 and 11; Item 41, Proposal-Revised, at 2-9 and 11. Upon the implementation of the Final Determination, services currently provided by the Smyrna Post Office will be available at the Sherburne Post Office and will also be available from a mail carrier to roadside mailboxes located close to customer residences. Item 41, Proposal-Revised, at 2-5, 7-8, and 11; Item 47, FD, at 2-5, 7-8, and 11. Special provisions are made for hardship cases or special customer needs. Item 41, Proposal-Revised, at 3 and 7; Item 47, FD at 3 and 7.

The Petitioners expressed a concern that they might be required to drive to the Sherburne Post Office to collect mail because the Postal Service would not deliver to a mailbox located on the road. However, the Postal Service will deliver to a mailbox if it has been safely installed on the correct side of a road that meets the required guidelines. Item 47, FD, at 3 and 5; Item 41, Proposal-Revised, at 3 and 5. Customers were advised to contact the Sherburne postmaster or their carrier for advice on placement of mailboxes and mailbox height and supports. Item 47, FD, at 3; Item 41, Proposal-Revised, at 3. The Postal Service will attempt delivery of accountable items and larger parcels to a residence or place of business that is within one-half mile of the line of travel. Item 47, FD, at 7; Item 41, Proposal-Revised, at 7.

When structuring a mail route, the Postal Service carefully considers the volume of mail for each route so that it can deliver the greatest amount of mail at the earliest possible hour. Item 47, FD, at 4; Item 41 Proposal-Revised at 4. Carrier service is beneficial to many senior citizens and to those who may face special challenges because they do not have to travel to the Post Office for

service. Item 47, FD, at 3; Item 41, Proposal-Revised, at 3. Services provided at the Post Office will be available from the carrier. Item 47, FD, at 3; Item 41, Proposal-Revised, at 2-3. Internet service is not required, and most transactions do not require meeting the carrier at the mailbox. Item 47, FD, at 3 and 5-6; Item 41, Proposal-Revised, at 2-3 and 5-6. Stamps by Mail and Money Order Application forms are available for customer convenience. Item 47, FD, at 3; Item 41, Proposal-Revised, at 2-3. Special services such as certified, registered, Express Mail, delivery confirmation, signature confirmation, and COD may be obtained from the carrier by leaving a note in the mailbox, along with the appropriate payment. Item 47, FD, at 3; Item 41, Proposal-Revised, at 3. Customers may request to have their mail held at the Post Office, and when the return, may request that the Post Office resume delivery. Item 47, FD, at 4; Item 41, Proposal-Revised, at 3.

In addition to carrier service, retail services and P.O. Box service will be available at the Sherburne Post Office, an EAS-18 level office which has 297 available Post Office Boxes. Item 41, Proposal-Revised at 2; Item 47, FD at 2; Item 42, Updated Post Office Fact Sheet, at 1. Window service hours at the Sherburne Post Office are from 9:00 a.m. to 1:00 p.m. and 2:00 p.m. to 5:00 p.m. Monday through Friday, and from 10:00 a.m. to 1:00 p.m. on Saturday. Item 47, FD, at 2; Item 41 Proposal-Revised at 2; Item 42, Updated Post Office Fact Sheet, at 1. A site study has demonstrated that there is ample parking in the Sherburne Post Office parking lot, with a designated entrance and exit, versus on-street

parking at the Smyrna Post Office. Item 47, FD, at 2; Item 41 Proposal-Revised at 2.

With respect to safety and security, the Postal Service advised customers that they may place a lock on their mailboxes. The mailbox must have a slot large enough to accommodate the customer's normal daily mail volume. Item 41, Proposal-Revised at 4; Item 47, FD at 4. The Postal Service also sent a questionnaire to the Chenango County Sheriff's Department and the Postal Inspection Service concerning mail theft and vandalism in the suspended Post Office area. The responses indicate that there have only been five reports of mail theft or vandalism on record. Item 14; Item 41, Proposal-Revised at 5; Item 47, FD at 5. The Postal Service advised that customers could place a note in their mailboxes instructed the carrier to sound his or her horn upon arrival, in order to transact financial business. Item 41, Proposal-Revised at 8; Item 47, FD at 8.

The Petitioners were also concerned about the obstruction of mailboxes in the winter due to snow accumulation. The Postal Service noted that mailboxes must be placed so that they may be safely and conveniently served by the carrier and that customers should contact the Sherburne postmaster regarding the proper mailbox location and installation method. It also suggested that placement of the mailbox on a long, swinging, horizontal pipe is one method used to avoid damage by snowplows. Item 41, Proposal-Revised at 3, 5 and 7; Item 47, FD at 3, 5 and 7.

Thus, the Postal Service has considered the impact of closing the Smyrna Post Office upon the provision of postal services to the Smyrna customers, and has properly concluded that the Smyrna customers will continue to receive regular

and effective service. Carrier delivery will be made to roadside mailboxes and will also provide retail services, including the sale of stamps. In addition, retail services and post office boxes will be available at the nearby Sherburne Post Office. Accordingly, the Postal Service has properly considered the impact of closing the Smyrna Post Office, and has properly concluded that the Smyrna customers will continue to receive regular and effective mail service.

Effect Upon the Smyrna Community

The Postal Service is obligated to consider the effect of its decision to close the Smyrna Post Office upon the Smyrna community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Smyrna is located in Chenango County and administered politically by the Village Mayor. The Chenango County Sheriff's Department provides police protection, and the Smyrna Fire Department provides fire protection. Item 41, Proposal-Revised, at 9; Item 47, FD, at 9. The community is comprised of retirees, self-employed, and those who commute to work at nearby communities and work in local businesses. Item 41, Proposal-Revised, at 9; Item 47, FD, at 9. Business and Organizations include: Smyrna Library, United Methodist Church, Baptist Church, Fire House, Village Office, Town Hall, Town Highway Department, Smyrna Market, Clippinger's Law Office, Bailey's Saw Mill, and Garage (auto

repair). Item 47, FD at 9. Residents may travel to nearby communities for other supplies and services. Item 47, FD, at 9.

The Petitioners raise the issue of the effect of the closing of the Smyrna Post Office upon the Smyrna community. This issue was extensively considered by the Postal Service, as reflected in the administrative record. Item 47, FD, at 9-10; Item 41, Proposal-Revised, at 9-10. The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. Item 41, Proposal-Revised, at 9; Item 47, FD, at 9. The Postal Service further explained that the Postal Service is helping to preserve community identity by continuing the use of the Smyrna Post Office name and ZIP Code in addresses and in the National Five-Digit Zip Code and Post Office Directory. Item 47, FD at 9; Item 41, Proposal-Revised, at 9. Communities generally require regular and effective postal services and these will continue to be provided to the Smyrna community. Item 47, FD at 9; Item 41, Proposal-Revised, at 9. In addition, the Postal Service has concluded that nonpostal services provided by the Smyrna Post Office can be provided by the Sherburne Post Office, and that government forms normally provided by the Smyrna Post Office will also be available at the Sherburne Post Office. Item 47, FD, at 9; Item 41, Proposal-Revised, at 9.

The Petitioners state that the discontinuance will have an adverse impact on business activity in the community. However, the Postal Service would continue to provide the regular and effective postal services businesses require. Item 41, Proposal-Revised at 9; Item 47, FD at 9. Further, questionnaire

responses indicated that customers would continue to use local businesses if the Post Office closed. Item 22, Returned Customer Questionnaires; Item 41, Proposal-Revised at 9; Item 47, FD at 9.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Smyrna Post Office on the Smyrna community.

Economic Savings

The Postal Service also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that carrier service would cost the Postal Service substantially less than maintaining the Smyrna Post Office and would still provide regular and effective service. Item 21, Letter to Customer, at 1. The estimated annual savings resulting from discontinuation of the Smyrna Post Office are \$37,166. Item 47, FD at 10; Item 41, Proposal-Revised, at 11.

The Petitioners contend that the Postal Service's savings estimate should have been based on the income earned by the current OIC rather than the higher income of an EAS-13 Postmaster. The Postal Service notes, however, that it was appropriate to use a career Postmaster's salary in the calculation because the career position would have ultimately been filled if the Smyrna Post Office had not been identified as a candidate for discontinuance. Thus, the Postal Service will save the salary and benefits of a career Postmaster position.

The Petitioners also state that the savings estimate does not account for additional hours and mileage for the rural delivery carrier. However, the cost

estimate includes a deduction of \$20,303 for the annual cost of replacement service. Item 47, FD at 10; Item 41, Proposal-Revised, at 11. The Postal Service reached this figure by calculating the cost of delivering to an additional 73 boxes and adding 22.6 miles to a route. Item 17, Alternative Service Options/Cost Analysis at 2.

The Petitioners also question the closing of the Smyrna Post Office instead of one of the other nearby Post Offices. The record explains, however, that Post Offices are reviewed on a case-by-case basis. Item 47, FD at 2 and 7; Item 41, Proposal-Revised, at 2 and 7. When there is a vacancy in a small office, it is customary to conduct a study of the business activity and investigate the feasibility of providing service by alternative means. Item 47, FD at 2 and 7; Item 41, Proposal-Revised, at 2 and 7. In this case, it was determined that the Postal Service could continue to provide a maximum degree of effective and regular postal services to the community while realizing an estimated cost savings of \$37,166 annually after discontinuation of the Smyrna Post Office. Item 47, FD at 9-11; Item 41, Proposal-Revised, at 2 and 7.

Thus, the economic savings have been calculated as required for discontinuance studies in accordance with statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Smyrna Post Office on the provision of postal services and on the Smyrna

community, as well as the economic savings that would result from the proposed closing, and other factors, consistent with the mandate of 39 U.S.C.

§ 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Smyrna customers. Item 47, FD, at 9. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Smyrna Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Smyrna Post Office be affirmed.

Respectfully submitted,

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